

Senate Bill No. 92

CHAPTER 460

An act to add and repeal Article 13 (commencing with Section 18841) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 20, 2003. Filed
with Secretary of State September 22, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 92, Speier. Taxpayer contributions: California Missions Foundation Fund.

Provisions relating to the administration of personal income taxes allow individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Missions Foundation Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from that return.

This bill would require that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and to the State Department of Parks and Recreation for allocation to the California Missions Foundation, a charitable organization, as provided.

This bill would repeal these voluntary contribution provisions on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. The bill would also repeal these provisions for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for subsequent taxable years.

The people of the State of California do enact as follows:

SECTION 1. Article 13 (commencing with Section 18841) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 13. California Missions Foundation Fund

18841. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Missions Foundation Fund established by Section 18842. That designation is to be used as a voluntary contribution on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. If no designee is specified, the contribution shall be transferred to the General Fund after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled the "California Missions Foundation Fund" to allow for the designation permitted. The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to restore and repair the Spanish colonial and mission era missions in this state and to preserve the artworks and artifacts of these missions.

(f) Notwithstanding any other provision, a voluntary contribution designation for the California Missions Foundation Fund shall not be added on the tax return until another voluntary contribution designation is removed.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18842. There is in the State Treasury the California Missions Foundation Fund to receive contributions made pursuant to Section 18841. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18841 to be transferred to the California Missions Foundation Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Missions Foundation Fund an amount not in excess of

the sum of the amounts designated by individuals pursuant to Section 18841 for payment into that fund.

18843. All moneys transferred to the California Missions Foundation Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the State Department of Parks and Recreation for allocation to the California Missions Foundation, a charitable corporation established in 1998 and organized and operated exclusively for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, to restore and repair the Spanish colonial and mission era missions in this state and to preserve the artworks and artifacts of these missions.

18844. (a) This article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Missions Foundation Fund on the tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) If, in the second calendar year after the first taxable year the California Missions Foundation Fund appears on the tax return, the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000), or the adjusted amount specified in subdivision (c) for subsequent taxable years, as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contribution.

(c) For each calendar year, beginning with the third calendar year that the California Missions Foundation Fund appears on the tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California



Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

